

MAINE

APPRAISER NEWSLINE



SPRING 2001

A Few Words From the Chairman

Donald P. Bamman



As I sit in front of this blank page after a long day, I think, "What am I going to write about in this issue of the newsletter?" The possibilities are varied and monotonous at the same time. USPAP? Lender coercion? Rule changes? Unethical, fraudulent practice? Complaints? This is not a very exciting list, and it certainly is not a positive reflection on the appraisal industry. Besides, this is what the Maine Board of Real Estate Appraisers has to deal with on a regular basis. So, let's look at some of the good things that are happening for a change. First, I feel the Board has done a good job clarifying and strengthening the law governing appraisal activities. This benefits both appraisers and the users of appraisal services. Second, judging by the number of complaints we're receiving, most of which are filed by appraisers, it seems that an increasing number of practitioners have decided to take a proactive role in "cleaning up" the industry. This is a good thing. It shows that people are taking a personal stake in the profession and are willing to take actions that, while difficult and not without some personal risk, are for the greater good. Allowing unethical appraisers to practice unfettered benefits no one, not even the offending appraiser. The public expects a licensed appraiser to be a professional, and we must all work to fulfill this trust. Another positive trend is that, after a rapid rise and fall, the number of licensed appraisers in the state has stabilized. An oversupply of appraisers doesn't favor either the general public or the appraisal profession. Fierce competition often results in errors and unsound appraisal practices as licensees chase after the fleeting dollar. It is also encouraging to see that the number of registered trainees has increased. If we are to reach equilibrium we need some new people getting into the industry to replace those of us who leave. We are a graying profession and could use some new blood. Finally, I know of no other profession that has the cooperative spirit of appraisers. The exchange of information amongst competitors and willingness to share ideas says a lot about the

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BOARD MEMBERS

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LICENSED APPRAISER**

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**GAIL HANSCOM, BOARD MEMBER
CERTIFIED GENERAL APPRAISER**

VACANT

BOARD MEETINGS SCHEDULED

2001

May 08	Jun 12	Jul 10	Aug 07
Sep 11	Oct 09	Nov 13	Dec 11

Dates and times frequently change, please call ahead before coming! (624-8515)

From the Chair continued from page 1....

integrity of the people in this field. These actions benefit all of us, including the users of appraisal services, and result in more accurate, well documented, real estate appraisals. In closing, we all know that the industry is evolving and that some of the changes are not seen as positive. However, in spite of this trend its important to acknowledge that good things are happening as well, and that appraisers and regulators can work together to benefit the industry, and the general public.



E-ME!

kimberly.j.baker-stetson@state.me.us

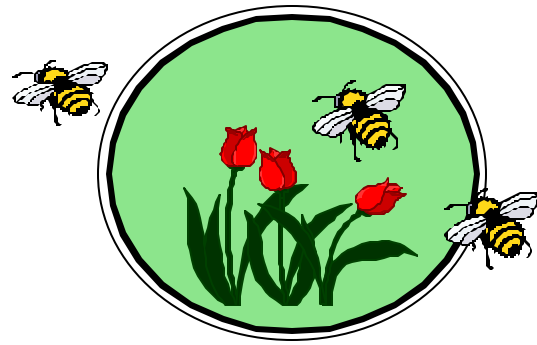


**IF YOU HAVE RECENTLY
MOVED. . . PLEASE LET US
KNOW YOUR NEW ADDRESS!!!**

Got a question?
Confused?
CALL ME! (207) 624-8522

**? BOARD STAFF ?**

Carol J. Leighton, Administrator 624-8520
Laurel Grady, Supervisor 624-8518
Kim Baker-Stetson, Board Staff 624-8522
Sue Greenlaw, Board Staff 624-8515

**REMEMBER!**

If your license expires this year, you are required to complete a minimum of 7 hours of the Uniform Standards of Professional Appraisal Practice (USPAP) as part of the 28 hour continuing education requirement for renewal. All education must be taken between January 1, 2000 through December 31, 2001.

You may mail or fax certificates of completion to the office!

SOONER IS BETTER THAN LATER!

LICENSE STATISTICS

(AS OF APRIL 18, 2001)

REGISTERED APPRAISER TRAINEES	86
LICENSED RESIDENTIAL APPRAISERS	112
CERTIFIED RESIDENTIAL APPRAISERS	209
CERTIFIED GENERAL APPRAISER	259
TEMPORARY LICENSE	6
TOTAL	671



Complaint Officer's Report



Comments From the Complaint Officer - Joe Herlihy, CG 33

The Board has the option of issuing a 'Letter of Guidance'. This occurs when the Board does not believe that violations have occurred, but it was too close a call to ignore. Several 'Letters of Guidance' have been issued by the Board, but the details are not printed here, since there is no admission to any violations required of the Licensee.

The Board is now routinely assessing the Licensee for the cost of investigation, when there has been a violation of Law resulting in a Consent Agreement, or sanctions are ordered pursuant to a Public Hearing. These costs, in addition to any other fines, run from a few hundred to several thousand dollars.

The references to the law change in this report, since the law and USPAP in effect at the time of the alleged violation are what governs.

Cases before the Board Of Real Estate Appraisers

In all instances the parties to consent agreements are the Licensee, The Maine State Board of Real Estate Appraisers and the State of Maine Department of the Attorney General. These presentations have been abbreviated, the entire file may be inspected at the offices of the Department of Professional and Financial Regulation in Gardner, Maine.

REA 082: On March 14, 2000 the Board accepted a consent agreement entered into with (Michael Mickeriz, CR314), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(B), (I) and (G) as it relates to the Board Rules, Chapter 180. Specifically the Licensee in an appraisal report, significantly overstated the market value of the subject property, used significantly superior comparables, when there were adequate comparable sales within the subject's market area and demonstrated a lack of due diligence, and misrepresentation of factual information. Mr. Mickeriz

- admitted to the violations
- agreed to accept four (4) formal reprimands
- a fine of \$1,000
- attend a 15 hour USPAP Standards course, not credited for Continuing Education

REA 085: On February 8, 2000 the Board accepted a consent agreement entered into with (Jack Brown CR 723), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(B). Specifically the Licensee in an appraisal report, used comparable sales which could not be confirmed, either because they did not exist or were grossly mis-stated due to a lack of due diligence. Mr. Brown:

- admitted to one (1) violation
- the Board accepted the surrender of Mr. Brown's license
- he shall not be eligible to reapply for licensure by the Board before January 1, 2005.
- in reviewing any such application, the Board may consider conduct admitted in the consent Agreement

REA 089: On January 9, 2001 the Board accepted a consent agreement entered into with (Bert Berube, CG233), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1) (G) as it relates to Board Rules, Chapter 180, 13982(1)(I) and (J). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal. Wherein were made: misrepresentations with respect to the nature of the sales transactions used as comparables, misleading analysis and the use of highly suspect comparable data. Mr. Berube:

- admitted to three (3) violations
- agreed to accept a reprimand
- pay a fine of \$1,500
- attend a 7 hour USPAP course not credited for continuing education.

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REA 099: On March 5, 2001 the Board accepted a consent agreement entered into with (Christopher Karageorge CR 778), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(I) and (J). The Licensee as a Supervisory Appraiser per 32 M.R.S.A. Sec. 13982(1)(G) thence USPAP SR 2-5 did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in supervising the development of an appraisal, the preparation of an appraisal report and communication of an appraisal. Specifically the GLA was overstated, the comparable sales used were significantly superior to the subject in quality & condition, market appeal and land value. Reasonable adjustments to address these differences were omitted and the resulting value opinion appeared to be substantially overstated. Mr. Karageorge:

- admitted to two (2) violations
- agreed to pay a fine of \$750 plus costs of \$259.88.

REA 100: On February 12, 2001 the Board accepted a consent agreement entered into with (Krista Nguyen Small, RA 1340), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(I) and (J). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal. Specifically, the GLA was overstated, the comparable sales used were significantly superior to the subject in quality & condition, market appeal and land value. Reasonable adjustments to address these differences were omitted and the resulting value opinion appeared to be substantially overstated. Ms. Small:

- admitted to two (2) violations
- agreed to pay a fine of \$1,000.

REA 103: On January 3, 2001 the Board accepted a consent agreement entered into with (Richard Thibodeau, AP1451), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(B) and (G) as it relates to Board Rules, Chapter 180, 13982(1)(I) and (J). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal, wherein were made: misleading map and lot references on the subject property; misleading references to sale price versus refinance; misleading reconciled value on the property being purchased; cost approach errors relating to the GLA of the subject properties; grossly inaccurate GLA on the sale comps, resulting in misleading indicators of value; and misrepresentation through exclusion of relevant information about comparable sales. Mr. Thibodeau:

- admitted to four (4) violations
- agreed to accept four (4) reprimands
- pay a fine of \$2,000.

REA 104: On April 10, 2001 the Board accepted a consent agreement entered into with (Daniel Anderson, MECR1031), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 14014(1)(B), (G) as it relates to Board Rules Chapter 260, 14104(1)(I)(J) and (L). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal. Wherein a letter was written on the Licensee's appraiser letterhead and signed with the Licensee's Certification Number. He failed to comply with State Law and USPAP relative to the minimum requirements for developing an appraisal and preparing an appraisal report. The letter was submitted to a developer who subsequently brought suit claiming damages for two lost house lots and profits, and submitted the letter of opinion by the licensee as proof of same. Mr. Anderson:

- admitted to three (3) violations
- accepted three (3) reprimands
- agreed to pay a fine of \$2,500
- attend a 15 hour USPAP course not credited for continuing education.

REA 105: On January 3, 2001 the Board accepted a consent agreement entered into with (Scott A. Footman, MECR400), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(G) as it relates to Board Rules, Chapter 180, 13982(1)(I) and (J) and 13962(14)(scope of practice). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal. Specifically, the subject property, a 16 unit (Section 8) subsidized apartment complex, was outside the definition of the scope of license for a Certified Residential Appraiser. Additionally, there was no attempt to estimate a market stabilized Net Operating Income. Inconsistencies and/or misrepresentations were noted in the report in regard to land size, GBA, parking and the like; no comparable land sales data was presented; unreasonable and unsubstan-

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tiated estimates about remaining economic life were made; market rent conclusions were not substantiated with truly comparable rentals; sales were not reasonably comparable, and no apparent consideration was made for numerous differences between the subject and comparables. Mr. Footman:

- admitted to four (4) violations
- agreed to accept four (4) reprimands
- pay a fine of \$2,500

REA 109: On February 14, 2001 the Board accepted a consent agreement entered into with (Manchester H. Wheeler, MECR460), a Licensee wherein the complaint alleged violations of 32 M.R.S.A. Sec. 13982(1)(B) (G) (I) and (J). The Licensee did fail, without good cause, to exercise reasonable diligence and demonstrated negligence and incompetence in developing an appraisal, preparing an appraisal report and communicating an appraisal, wherein were made; misrepresentations regarding the subject neighborhood, marketing time, typical property values, limited tidal road access, % built up and excessive land value. Mr. Wheeler:

- admitted to four (4) violations
- agreed to accept a reprimand
- pay a fine of \$2,000.



CURRENT USPAP COURSES

SCHOOL NAME:

PHONE #:

AMERICAN SOCIETY OF APPRAISERS - ASA

703 478-2228

USPAP - ASA	15	QE
USPAP UPDATE SEMINAR	7	CE



AMERICAN SOCIETY OF FARM & RURAL APPRAISERS

303 758-3513

A-12 PART 1 CODE OF ETHICS	8	CE
A-12 PART 2 STANDARDS	16	CE

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312 335-4100

STANDARDS, PART A	16	QE
STANDARDS, PART B	11	QE
USPAP - PART C	16	QE



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207 741-9012

USPAP UPDATE 2001	7	CE
USPAP UPDATE FOR RENEWAL	7	CE

CENTER FOR REAL ESTATE EDUCATION

207 874-6520

USPAP-CORRESPONDENCE	7	CE
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JMB REAL ESTATE ACADEMY, INC

978 454-7720

USPAP UPDATE SEMINAR	7	CE
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800 531-5333

USPAP	15	QE
USPAP UPDATE #111	7	CE

MCKISSOCK DATA SYSTEMS

814 723-6979

USPAP	8	CE
USPAP UPDATE 2001(CDROM)	7	CE



NATIONAL ASSOCIATION OF INDEPENDENT FEE APPRAISERS

314 781-6688

STANDARDS REVIEW	8	CE
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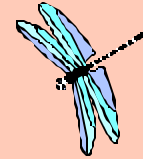
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